

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 395
PROPOSED COMMITTEE SUBSTITUTE H395-CSSH-16 [v.2]
04/12/2021 06:23:13 PM

Short Title: HIE Deadline Extension & Enforcement.

(Public)

Sponsors:

Referred to:

March 25, 2021

1 A BILL TO BE ENTITLED
2 AN ACT EXTENDING FOR CERTAIN PROVIDERS AND ENTITIES THE DEADLINES
3 FOR MANDATORY PARTICIPATION IN THE STATEWIDE HEALTH
4 INFORMATION EXCHANGE NETWORK KNOWN AS NC HEALTHCONNEX AND
5 AUTHORIZING THE IMPOSITION OF A CIVIL PENALTY AGAINST CERTAIN
6 ENTITIES AND PROVIDERS THAT FAIL TO CONNECT TO, AND SUBMIT
7 MANDATORY DEMOGRAPHIC AND CLINICAL DATA INFORMATION THROUGH
8 NC HEALTHCONNEX.

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.** G.S. 90-414.4(a1) reads as rewritten:

11 "(a1) Mandatory Connection to HIE Network. – Notwithstanding the voluntary nature of
12 the HIE Network under G.S. 90-414.2, the following providers and entities shall be connected to
13 the HIE Network and begin submitting data through the HIE Network pertaining to services
14 rendered to Medicaid beneficiaries and to other State-funded health care program beneficiaries
15 and paid for with Medicaid or other State-funded health care funds in accordance with the
16 following time line:

17 ...

18 (2) Except as provided in subdivisions (3), (4), and (5) of this subsection, all other
19 providers of Medicaid and State-funded health care services shall begin
20 submitting demographic and clinical data by ~~October 1, 2021~~October 1, 2022.

21 ...

22 (4) The following entities shall begin submitting demographic and clinical data
23 by ~~June 1, 2021~~June 1, 2022:

24 a. Ambulatory surgical centers as defined in G.S. 131E-146.

25 b. Dentists licensed under Article 2 of Chapter 90 of the General Statutes.

26 c. Licensed physicians whose primary area of practice is psychiatry.

27 d. The State Laboratory of Public Health operated by the Department of
28 Health and Human Services.

29 (5) The following entities shall begin submitting claims data by ~~June 1, 2021~~June
30 1, 2022:

31 a. Pharmacies registered with the North Carolina Board of Pharmacy
32 under Article 4A of Chapter 90 of the General Statutes.

33 b. State health care facilities operated under the jurisdiction of the
34 Secretary of the Department of Health and Human Services, including
35 State psychiatric hospitals, developmental centers, alcohol and drug
36 treatment centers, neuro-medical treatment centers, and residential



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programs for children such as the Wright School and the Whitaker Psychiatric Residential Treatment Facility."

SECTION 2.(a) G.S. 90-414.4 is amended by adding a new subsections to read:

(b1) The HIE Authority shall assess a civil penalty to any provider or entity that fails to connect to the HIE Network and submit demographic and clinical data information through the HIE Network as required under subsection (b) of this section. The amount of the civil penalty shall not exceed ten dollars (\$10.00) per claim that the provider or entity fails to submit through the HIE Network during any period of noncompliance with the requirements of subsection (b) of this section. The clear proceeds of civil penalties assessed pursuant to this subsection shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2. Within 30 days after receiving a notice of civil penalty assessment under this subsection, a provider or entity shall do one of the following:

(1) Pay the full amount of the civil penalty.

(2) Contact the HIE Authority and execute a participation agreement.

(3) Contact the Department of Information Technology to request an exemption under subsection (a2) of this section or contact the Department of Health and Human Services to request a hardship extension under subsection (a3) of this section.

(4) File a petition for a contested case with the Office of Administrative Hearings.

(b2) Chapter 150B of the General Statutes applies to proceedings for the assessment of civil penalties under subsection (b1) of this section. If an entity or provider assessed a civil penalty under subsection (b1) of this section fails to take any of the actions listed in subdivisions (1) through (4) of subsection (b1) of this section within 30 days after receiving a notice of civil penalty assessment, or if an entity or provider fails to pay the civil penalty to the HIE Authority within 30 days after a final decision affirming the civil penalty, then the HIE Authority may institute an action in the superior court of the county in which the entity or provider has a principal place of business to recover the unpaid amount of the civil penalty. An action to recover a civil penalty under this subsection does not relieve any party from any other penalty prescribed by law.

...."

SECTION 2(b). G.S. 90-414.7(b) is amended by adding a new subdivision to read:

"(18) Assess civil penalties, as provided in subsection (b1) of G.S. 90-414.4, against entities and providers that fail to connect to the HIE Network and submit required demographic and clinical information."

SECTION 3. Section 2 of this act becomes effective October 1, 2022, and applies to violations of G.S. 90-414.4 occurring on or after that date. The remainder of this act is effective when it becomes law.